



SRHA, INC.

DUES POLICY, EFFECTIVE OCTOBER 1, 1999

THE BOARD OF DIRECTORS HAS VOTED TO RETURN TO A TWICE PER YEAR PAYMENT SYSTEM. DUES ARE PAYABLE OCTOBER 1 AND APRIL 1. OWNERS WHO PREFER TO PAY THE FULL AMOUNT ON OCTOBER 1 MAY DO SO. ALSO, EFFECTIVE APRIL 1, 2002, THE DUES WILL BE RAISED \$25.00 EACH PAY PERIOD OR \$50.00 FOR THE YEAR, SO DUES WILL BE \$175.00 PER HALF OR \$350.00 FOR THE WHOLE YEAR.

POLICY FOR UNPAID ACCOUNTS

- A. The Board shall extend the members of the association a grace period for payment of dues until November 30. After that date, a late fee of \$25.00 plus a finance charge of 2% per month will be assessed on the balance due retroactive to October 1 on any unpaid account. The same would apply to the April payment. The grace period would extend until May 31 after which the late fee would be applied.
- B. The Board shall also place a lien on the property of this homeowner with the unpaid account and seek a judgement against said homeowner. The homeowner will be responsible for reimbursing the association for all legal fees, court costs, and all other costs associated with these actions.

SRHA, INC.

BOARD OF DIRECTORS

PRESIDENT

HOWARD LIND
79 FOOTHILLS LANE
NEW MARKET, VA 22844
540-740-3871

TREASURER

JO ANN N. MILANDER
372 ROCKY MOUNTAIN LANE
NEW MARKET, VA 22844
540-740-8769

DIRECTOR

EDD NONNEMACHER
178 SUNDANCE RETREAT LANE
NEW MARKET, VA 22844
540-740-8254

DIRECTOR

DONNIE SUMMERS
658 SUNDANCE RETREAT LANE
NEW MARKET, VA 22844
540-740-8565

VICE-PRESIDENT

LAWRENCE MEYER
141 BLACKBERRY LANE
NEW MARKET, VA 22844
540-740-9205

DIRECTOR

DONALD MURRAY
1168 SUNDANCE RETREAT LANE
NEW MARKET, VA 22844
540-740-9291

DIRECTOR

RAYMOND OREBAUGH
211 BODY SHOP
NEW MARKET, VA 22844
540-740-8191

RECORDING SECRETARY

ANGELINA MEYER
141 BLACKBERRY LANE
NEW MARKET, VA 22844
540-740-9205

SRHA, INC.
BUSINESS INFORMATION AS OF 1/01/03

MAILING ADDRESS: P.O. BOX 926
NEW MARKET, VA 22844

INCORPORATION: COMMONWEALTH OF VA
12/12/94
ID#0437936-8
DCN:94-12009-0017

BANK: GREATER ATLANTIC
9484 CONGRESS STREET
NEW MARKET, VA 22844
540-740-3898

LIABILITY INSURANCE: DOUG VEACH
STATE FARM INSURANCE
911 S. MAIN STREET
WOODSTOCK, VA 22664
540-459-5036
LIMIT OF LIABILITY--
\$1,000,000 BUS. LIABILITY
\$1,000,000 DIRECTORS &
OFFICERS

ATTORNEY: JAMES P. WEISSENBERN
9404 CONGRESS ST
NEW MARKET, VA 22844
540-740-3159

WELL REPAIRS: JAMES FRAZIER
FIZZ'S PLUMBING & HEATING
540-477-3602

ACCOUNTANT: GOOD ACCOUNTING SERVICE
GLEN GOOD
12646 N. VALLEY PIKE
BROADWAY, VA 22815
540-896-2401

Sundance Retreat Homeowners' Association
P.O. Box 926
New Market, Virginia 22844

DISCLOSURE DOCUMENT

As required by Chapter 26, Title 55, House Bill 854 Code
of Virginia

I

Property Owners' Association Act

1. The sale of all lots within Sundance Retreat is subject to the provisions of the "Property Owners Association Act" of 1989.
2. The Act mandates that the foregoing statement be included in a contract for sale or resale of any lot in Sundance Retreat.
3. The Act requires that the Association provide to a seller a copy of this disclosure packet, for a cost not to exceed \$100, upon request by a purchaser.

II

THE SUNDANCE RETREAT HOMEOWNERS' ASSOCIATION, INC.

In the fall of 1994, Sundance Properties notified the homeowners in Sundance Retreat that they would no longer maintain the roads and wells. A meeting was called and a majority of homeowners attended. At this meeting, it was decided to form a homeowners' association pursuant to Chapter 26, Title 55, House Bill 854. This association would have as its primary duties the maintenance of the roads and wells.

Disclosure Information Required by Section 55-512

1. NAME

Sundance Retreat Homeowners' Association, Inc.

Registered Agent: James P. Weissenborn

2. Capital Expenditures

There are no capital expenditures planned within the coming year.

3. Assessments

The current assessment is \$350.00 per year for a lot with a residence on it and \$175.00 per year for a lot only. Property owners with a lot with a residence plus additional lots with no residence are only assessed \$350.00 per year.

4. Other fees

There are no other fees

5. Reserve or Replacement Fund

There is a current reserve of \$3,000

6. Current Budget

See attached

7. Pending Suits of Judgement

There are no pending law suits of judgements against the Association.

8. Insurance Coverage

See attached

9. Violation Notices Given to Seller

No violations have been issued to Seller

10. Right to Place "for sale" Sign

There is no restriction on the right of a lot owner to place a sign on the owner's lot advertising the lot for sale.

11. Articles of Incorporation and Bylaws

See Attached

SRHA, INC.

TREASURER'S REPORT JUNE, 2002 - JUNE, 2003

BEGINNING BALANCE \$1552.45

INCOME

DUES	\$33209.35
RE PACKETS	400.00
INT. FROM CHKG.	110.58
PICNIC	91.00

TOTAL	\$33810.93	\$35363.38
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MONIES PAID OUT

ROAD REPAIRS/MAINT.	\$17271.61
WELL ELECTRIC	2991.80
WELL/WATER REPAIRS	3395.46
ADMIN/LIEN/ETC.	605.53
INSURANCE	753.00
CD AT BANK	1000.00

TOTAL	\$26017.40	\$26017.40
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BALANCE IN CHECKBOOK TO DATE	\$ 9345.98
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CDS IN BANK	6802.77
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TOTAL CASH ON HAND	\$16148.77
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OUTSTANDING DUES	\$ 4545.94
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**PROPOSED BUDGET FOR SRHA, INC
2003-2004**

ESTIMATED EXPENSES

WELL ELECTRIC	\$3500.00
WELL REPAIRS	\$10000.00
ROAD REPAIRS	\$15000.00
INSURANCE	\$ 900.00
ADMINISTRATIVE	\$ 400.00
MISC. EXPENSE	\$ 300.00
RESERVE FUND	\$1000.00
TOTAL	\$31100.00

ESTIMATED INCOME

DUES	\$32200.00
MISC. ICOME	400.00
TOTAL	\$32600.00

See reverse side for important information.
Please keep this part for your record.

Commonwealth of Virginia



STATE CORPORATION COMMISSION

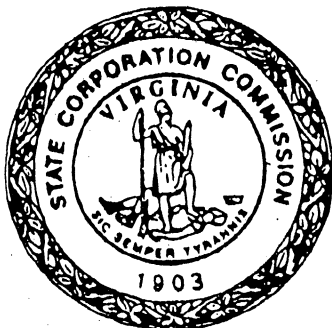
Richmond, December 12, 1994

This is to Certify that the certificate of incorporation of

SUNDANCE RETREAT HOMEOWNERS ASSOCIATION, INC

*was this day issued and admitted to record in this office
and that the said corporation is authorized to transact its business
subject to all Virginia laws applicable to the corporation and its
business. Effective date:*

December 12, 1994



State Corporation Commission

William J. Bridge

Clerk of the Commission

BY-LAWS

ARTICLE I. Name

This organization shall be known as the Sundance Retreat Homeowners' Association, a nonprofit association of property owners in Sundance Retreat, Shenandoah County, Virginia, hereinafter referred to as the "Association".

ARTICLE II. Purpose

Section 1. The purpose of the Association is:

- i. To promote the common interests of the owners of property in the Sundance Retreat Subdivision;
- ii. To manage and regulate the affairs of the Sundance Retreat Subdivision and the Association in accordance with Commonwealth of Virginia law (Code of Virginia, Chapter 19, Subdivided Land Sales Act), and specifically to maintain and operate all existing and future common use roads, facilities, utilities (wells and well electric), and common areas in the Sundance Retreat Subdivision; and
- iii. To provide for communication and dissemination of information among property owners to facilitate the promotion of their common interests.

ARTICLE III. Membership

Section 1. All owners of property in the Sundance Retreat Subdivision are members of the Association by virtue of such ownership.

Section 2. Active members of the Association shall be those members whose assessments and dues are fully paid. All other members shall be inactive members.

Section 3. Only active members may vote on Association matters

Section 4. When ownership of property resides in more than one (1) person, one (1) of those persons shall represent all the others in the Association.

ARTICLE IV. Organization and Governance

Section 1. The Association shall be governed by a Board of Directors [hereinafter called the "Board" and "Directors(s)"]. The number of Directors shall be seven (7) commencing on August 1, 1995.

Section 2. Directors shall serve for two (2) years.

Section 3. A Director may be removed from office by a majority of Association members voting upon a written petition for such action signed by at least fifteen (15) active members and delivered to the president of the Association by U.S. mail. The President shall cause a vote to be held within thirty (30) days of the receipt of such petition, following the procedures for voting set forth below

In Article V.

Section 4. If a vacancy occurs on the board of directors, the remaining Directors shall appoint an active member of the Association to complete the term of the absent Director.

ARTICLE V. Nomination and Election of Board Members

Section 1. The President shall appoint a nominating committee chaired by a Director to prepare a slate of candidates for the vacant offices of Director. Each candidate shall be an active member of the Association and shall have declared his/her willingness to serve if elected.

Section 2. The nominating committee shall provide for each candidate placed on the slate his/her address, former office(s) held in the Association (if any), and whether the candidate's primary residence is in the Subdivision.

Section 3. The nominating committee shall present its slate of candidates to the President not later than April 1 of the election year.

Section 4. The election of Directors shall take place prior to the annual meeting in June.

Section 5. The election of Directors shall be by means of mailed ballots.

Section 6. The President shall direct the Secretary of the Association to mail to each member of the Association on or about April 1 the slate of nominees prepared by the nominating committee together with the information specified in Section 2 above about each nominee, and a ballot listing the nominees in alphabetical order with instructions for voting and returning the ballot.

Section 7. The President shall appoint three (3) tellers from among active members, none of whom shall be a candidate for office, who shall receive and tally the ballots. One teller shall be named chief teller. The tellers shall record the number of votes received by each candidate and shall declare elected those candidates corresponding to the number of vacant offices who shall have received the highest number of votes. Tie votes shall be broken by a coin tossed by the chief teller. Invalid ballots shall be segregated and shall not be counted.

Section 8. The chief teller shall report the result of the election in writing to the President within fifteen (15) days of the closing date of the election, showing the number of ballots received, the number judged invalid, and the number of votes received by each candidate. The tellers' report shall become a part of the minutes of the next meeting of the Board of Directors.

Section 9. The President shall immediately inform the elected persons of

their election and shall inform the Board of Directors of the result. Association members shall be informed of the results within ninety (90) days of the receipt of the tellers' report.

Section 10. All ballots shall be retained by the Association for three (3) years and shall be disposed of as the Board of Directors shall direct.

ARTICLE VI. Board of Directors

Section 1. Meetings:

- i. The Board shall meet at least four (4) times each year. Special meetings may be called by the President or by any three (3) Directors who shall state the purpose of such meeting in a written notice of meeting.
- ii. All meetings of the Board of Directors shall be open to members of the Association. Nonmembers may attend with the prior consent of the President.
- iii. One meeting each year shall be designated as the annual meeting of the Association. This meeting shall be held in June.
- iv. A quorum of the Board of Directors shall be five Directors in office including at least two (2) officers, except as may be provided elsewhere in these by-laws.

Section 2. Responsibilities of the Board of Directors:

- i. The Board shall take lawful, prudent, and timely actions to achieve the purposes of the Association.
- ii. The Board shall administer the assets and conduct the business of the Association.
- iii. The Board shall determine the amounts of, and collect from members of the Association, such assessments, dues, and other levies as are necessary to achieve the purposes of the Association.
- iv. The Board of Directors shall elect its officers who shall also be the officers of the Association.
- v. The Board may remove from office any officer, with cause, at a regular or special meeting of the board, having first given each board member written notice of intent to do so at least thirty (30) days in advance.

ARTICLE VII. Election and Terms of Officers

Section 1. At the first meeting of the new Board, the Directors shall elect a President, a Secretary, a Treasurer, and such other officers as the Board shall designate.

Section 2. The election of officers shall be by written secret ballot.

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- Section 3. Officers shall serve for two (2) years.
- Section 4. No officer shall serve more than four (4) consecutive terms in the same office.
- Section 5. If an office, other than that of President shall fall vacant for any reason, the President shall name a Director to serve in that office until the Board shall elect a successor. No vacancy shall continue beyond the next following Board Meeting.
- Section 6. If the office of President becomes vacant, the Treasurer shall serve as President until the Board shall elect a successor at the next Board Meeting.

ARTICLE VIII. Duties of Officers

Section 1. The President shall:

- i. Preside at all meetings of the Board and the Association and serve as an advisory member of every committee except the nominating committee.
- ii. Represent the Association in all relations with Government and other agencies and their representatives.
- iii. Appoint committees and their chairmen and define their duties and duration of service.
- iv. Serve as signatory to contracts, reports, and statements of the Association unless otherwise provided for by these By-laws or the Board of Directors.
- v. Perform such other duties as may be prescribed by the Board of Directors.

Section 2. The Treasurer shall:

- i. Receive, disburse, and keep appropriate records on all funds of the Association.
- ii. Establish and maintain depositaries for funds as approved by the Board of Directors.
- iii. Maintain necessary and legally required financial and tax records.
- iv. Prepare an annual budget for the approval and adoption by the Board of Directors and submit periodic written budget reports to the Board.
- v. Report the Association's financial status at least every quarter to the Board and annually to the members of the Association.
- vi. Prepare and return the Association's tax returns.
- vii. Cause an annual audit of the Association's financial transactions to be

carried out by a qualified disinterested auditor selected with the approval of the Board, whose report shall be submitted to the Board. The Treasurer shall communicate the audit report to the members.

viii. Keep the Secretary informed on the status of active and inactive members.

ix. Take the place of the President and perform the President's duties whenever the President is unable to do so.

x. Perform such other duties as may be prescribed by the Board of Directors.

Section 3. The Secretary shall:

i. Maintain the records of the Association as prescribed by law and/or the Board of Directors.

ii. Record the minutes of each meeting of the Board and the Association and report them at the next meeting of each body.

iii. Maintain a complete and correct roster of Association members, their addresses, and their property holdings.

iv. Prepare and mail official correspondence and election materials as directed by the President and the Board.

v. Perform such other duties as may be prescribed by the Board of Directors.

Section 4. The Secretary and the Treasurer may delegate clerical duties to other Association members or to paid staff provided, however, that the Secretary shall retain responsibility for the correctness of minutes of meetings, the roster of members, and the proper maintenance of records; and provided that the Treasurer shall retain accountability for funds and responsibility for the correctness of financial accounts and reports.

Section 5. If and when so authorized by the Board, the President shall hire employees for the Association and assume or delegate responsibility for their supervision.

Section 6. The Board shall designate one or more officers to sign checks and other financial instruments.

ARTICLE IX. Fiscal Year

The fiscal year of the Association shall run from August 1 through July 31 of the following year.

ARTICLE X. Amendments to the By-laws

Section 1. Any member of the Association may propose an amendment to the By-laws by submitting such proposal in writing to the President.